THE NAVAJO NATION

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Detailed Information
Permitting Authority: Navajo Nation Environmental Protection Agency

County: McKinley **State:** New Mexico **AFS Plant ID:** 35-031-84232
Facility: Western Refining Southwest, Inc. - Wingate Facility
Document Type: STATEMENT OF BASIS

Part 71 Federal Operating Permit
Statement of Basis
WESTERN REFINING SOUTHWEST, Inc.
WINGATE FACILITY
Permit No. NN OP 18-011

1. Facility Information

a. Permittee

Western Refining Southwest, Inc.
92 Giant Crossing Road,
Gallup NM 87301

b. Facility Location

Section 16, Township 15N, Range 17W
6 miles east of Gallup, New Mexico.

c. Contact Information

Facility Contact:	William Bailey, Environmental Supervisor Phone: (505) 726-9743
Responsible Official:	Daniel J. Statile, VP and Refinery Manager Phone: (505) 722-0202

d. Description of Operations, Products:

The Wingate facility is a crude oil transloading and storage facility. The facility operates as authorized by NSR and Title V permits issued by New Mexico Environment Department. The only emission source associated with facility that is

located on the Navajo Nation is a candlestick flare; therefore this permit only applies to that flare.

A brief outline of the Wingate Facility current operations is as follows.

1. The facility receives iC4 (isobutane) railcars via BNSF railroad.
   a. Pressurize railcar using Natural Gas purchased from Kinder Morgan
   b. Unload iC4 from railcar to the tanks, tank is vented to flare while offloading.
2. iC4 is then pumped to the Gallup Refinery via pipeline.

e. <u>Permitting and/or Construction History</u>

Western Refining Wingate Facility which was previously owned by ConocoPhillips Company was initially constructed in 1952. The New Mexico Environment Department issued a construction permit and a number of subsequent revisions for all of the facility including the candlestick flare, which was constructed in 1972 on the reservation of the Navajo Nation. In 2000, the facility submitted an application identifying the flare (Unit 17) as a major source for VOC based upon previous calculations and data. On December 22, 2001, USEPA Region IX issued a Part 71 permit (NN-OP-00-08) to the facility that covered the candlestick flare unit. NMED also issued revised NSR and Title V permits not including the candlestick flare.

NNEPA received a Part 71 renewal application on May 23, 2005. On February 9, 2009, NNEPA received a revised Part 71 renewal application. As part of the revised Part 71 renewal application, ConocoPhillips revised the PTE of VOC from the flare to reflect maximum historic flare operations, inclusive of safety factors, instead of an unrealistic assumption of continuous full capacity flaring and resultant product loss. While the resultant PTE of VOC at 34.1 tons per year is greater than that determined in original Part 71 Permit (i.e., 19.1 tons per year), this increase does not reflect a modification to the flare but is only a correction to the method of computing regulated pollutant emission rate from the flare. Emission calculation submitted by ConocoPhillips in the revised Part 71 renewal application support the revision to the method of calculating PTE of VOC from the flare.

On September 15, 2015 the ownership and operational control of Wingate Facility changed from ConocoPhillips Company to Western Refining Southwest, Inc. Western Refining Southwest, Inc. assumed all obligation and responsibilities, including the Title V permit issued by the NNEPA for the facility flare on October 1, 2014. On October 9, 2015 NSR Permit 1313-M6 was issued by NMED to change the primary function of the facility from a natural gas processing plant to a crude oil transloading facility. With that permit revision, equipment and emissions associated with the new operation were added to Wingate's NSR permit. Since none of the new equipment were installed nor operated at the facility, this Title V renewal application reflect the units currently located at the facility and current operations.

f. Permitted Emission Units and Control Equipment

Table 1 lists the permitted emission-generating units and activities at the facility.

Table 1. List of Emission Units

Emission Unit ID	Unit Description	Maximum Capacity	Commenced Construction/ Installation Date	Associated Control Equipment
17	Candlestick process flare	63.6 Mscf/hr 25 MMscf/yr	1972	N/A

g. Insignificant Emissions

This facility also emits pollutants at insignificant levels, as described in 40 CFR § 71.5(c)(11)(ii), which are defined as emission units with PTE less than 1 tpy of each criteria pollutant, or PTE less than 0.5 tpy or the de minimis level established under the federal Clean Air Act (CAA) § 112(g), whichever is less, for a single HAP:

1. Fugitive VOC emissions from connections, flanges, open-ended lines, valves, and other components with the flare.

h. Emissions Calculations

See Attachment A of this document for detailed emissions calculations.

i. Potential to Emit

Potential to emit (PTE) means the maximum capacity of any stationary source to emit any CAA-regulated air pollutant under the source's physical and operational design. See 40 C.F.R. § 52.21(b)(4). Any physical or operational limitation on the maximum capacity of Wingate Facility to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of fuel combusted, stored, or processed, must be treated as part of its design if the limitation is enforceable by US EPA. PTE is meant to be a worst-case emissions calculation and is used in many cases, though not all, to determine the applicability of federal requirements. Actual emissions may be much lower than PTE. The potentials to emit are presented in Tables 2 below.

Table 2. Potential to Emit of Criteria Air Pollutants

Emission Unit ID(s)	40 CFR Part 71 Regulated Air Pollutants in Tons Per Year (TPY)						
	PM	PM_{10}	NO_x	SO_x	CO	VOC	Combined HAPs
Unit 17 Candlestick flare	0.031	0.031	2.7	0.016	12.3	38.3	< 10 single < 25 total
NMED Op. Permit No.: P117-R2	5.5	5.5	107.2	0.7	75.4	177.2	< 10 single < 25 total
PTE of the Entire Source (NMED +NNEPA)	5.53	5.53	109.9	0.71	87.7	215.5	< 10 single < 25 total
Title V (Part 71) Major Source Thresholds	`NA	100	100	100	100	100	10 for a single HAP / 25 for total HAP

2. Tribe Information

a. General

The Navajo Nation has the largest land base of any tribe in the United States, covering 27,425 square miles in three states: Arizona, Utah, and New Mexico. The Navajo Nation is currently home to more than 300,000 people. Industries on the reservation include oil and natural gas processing, coal mining, sand mining, power production and tourism.

b. Local Air Quality and Attainment Status

All areas of the Navajo Nation are currently designated as attainment or unclassifiable for all pollutants for which a National Ambient Air Quality Standard (NAAQS) has been established.

3. Inapplicable Requirements

a. NSPS for Industrial-Commercial-Institutional Steam Generating Units (40 CFR §§ 60.40b-60.49b, Subpart Db)

This subpart applies to each steam generating unit for which construction, modification, or reconstruction is commenced after June 9, 1989 and that has a maximum design heat input capacity of 29 Megawatts (MW) (100 MMBtu/hr) or less, but greater than or equal to 2.9 MW (10 MMBtu/hr). There are no steam generating units located in conjunction with the flare; therefore, this subpart does not apply

b. NSPS for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced after June 11, 1973, and Prior to May 19, 1978 (40 CFR §§ 60.110 - 60.113; 40 CFR Part 60, Subpart K)

These regulations apply to storage vessels for petroleum liquids with storage capacities greater than 40,000 gallons and do not apply to storage vessels for petroleum or condensate stored, processed, and/or treated at a drilling and production facility prior to custody transfer. There is no storage tank with a capacity greater than 40,000 gallons located on-site in conjunction with the flare; therefore, this subpart does not apply.

c. NSPS for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced after May 18, 1978, and Prior to July 23, 1984 (40 CFR §§ 60.110a - 60.115a; 40 CFR Part 60, Subpart Ka)

These regulations apply to storage vessels for petroleum liquids with storage capacities greater than 40,000 gallons and do not apply to petroleum storage vessels with capacities of less than 420,000 gallons used for petroleum or condensate stored, processed, or treated prior to custody transfer. There is no storage tank with a capacity greater than 40,000 gallons located on-site in conjunction with the flare; therefore, this subpart does not apply.

d. NSPS for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced after July 23, 1984 (40 CFR §§ 60.110b – 60.117b; 40 CFR Part 60, Subpart Kb)

These regulations apply to storage vessels with capacities greater than or equal to 75 cubic meters (471 bbl) that is used to store Volatile organic liquids (VOL) for which construction, reconstruction, or modification is commenced after July 23, 1984. There is no storage vessel with a capacity greater than equal to 75 m^3 located on site in conjunction with the flare; therefore, this subpart does not apply.

e. NSPS for Stationary Gas Turbine for which Construction, Reconstruction, or Modification Commenced after October 3, 1977 (40 CFR §§ 60.330 – 60.335; 40 CFR Part 60, Subpart GG)

This regulation establishes standards of performances for stationary gas turbines. The Wingate facility does not have any stationary gas turbine; therefore, this subpart does not apply.

f. NSPS for SO_2 Emissions from Onshore Natural Gas Processing for which Construction, Reconstruction, or Modification Commenced After January 20, 1984, and On or Before August 23, 2011(40 CFR §§ 60.640 – 60.648; 40 CFR Part 60, Subpart LLL)

These regulations apply to sweetening units and sulfur recovery units at onshore natural gas processing facilities. The flare is not a natural gas treatment plant as defined in this subpart; therefore, this subpart does not apply.

g. NSPS for Crude Oil and Natural Gas Production, Transmission and Distribution (40 CFR §§ 60.5360 – 60.5430; 40 CFR Part 60, Subpart OOOO)

These regulations establish emission standards and compliance schedules to control volatile organic compounds (VOC) and sulfur dioxide (SO_2) emissions from affected facilities that commence construction, modification or reconstruction after August 23, 2011. Subpart OOOO was amended and published in the Federal Register on June 3, 2016 with an effective date of August 2, 2016. The amendments are applicable to affected facilities that commence construction, modification or reconstruction after August 23, 2011, and on or before September 18, 2015. The flare is not a control device for a NSPS OOOO affected unit; therefore, this subpart does not apply.

h. NSPS for Crude Oil and Natural Gas Facilities (40 CFR §§ 60.5360a – 60.5499a; 40 CFR Part 60, Subpart OOOOa)

These regulations establish emission standards and compliance schedules for the control of the pollutant greenhouse gases (GHG) from affected facilities that commence construction, modification or reconstruction after September 18, 2015. The flare is not a control device for a NSPS OOOOa affected unit; therefore, this subpart does not apply.

i. NSPS for Stationary Spark Ignition Internal Combustion Engines (40 CFR §§ 60.4230 – 60.4248; 40 CFR Part 60, Subpart JJJJ)

These regulations establish emission standards and compliance requirements to control emissions from spark ignition (SI) internal combustion engines (ICE) that commence construction, modification or reconstruction after June 12, 2006, where the SI ICE are manufactured on or after specified dates. There are no engines located in conjunction with the flare; therefore, this subpart does not apply.

j. NESHAP National Emission Standards for Hazardous Air Pollutants for Source Categories (MACT) 40 CFR §§ 63

In accordance with 40 CFR §§ 63.10(b) (3), the flare is not a major source for HAPs as defined in 40 CFR 63, therefore no MACT standards apply.

k. Compliance Assurance Monitoring (CAM) Program (40 CFR Part 64)

These regulations apply to pollutant-specific emission units at major sources that are required to obtain 40 CFR part 70 or 71 permits where a unit is subject to an emission limitation or standard for the applicable regulated air pollutant, uses a control device to achieve compliance with such limitation or standard, and has potential pre-control device emissions of the applicable regulated air pollutant that equal or exceed the amount required for the source to be classified as a major

source. The flare is not used to control emissions below an applicable major source threshold; therefore, the requirements of 40 CFR Part 64 are not applicable.

l. Acid Rain Program (40 CFR Parts 72 – 78)

These regulations establish general provisions and operating permit program requirements for affected sources containing affected units. The flare is not an affected source, as specified in 40 CFR § 72.6(a). Therefore, the emission units at the Wingate facility are not subject to requirements of the Acid Rain Program.

m. Protection of Stratospheric Ozone (40 CFR Part 82)

There are no operations involving CFC's conducted at the flare; therefore, this regulation does not apply.

n. Prevention of Significant Deterioration (PSD)

The Western Refining Wingate facility was originally constructed by ConocoPhillips in 1952, and the candlestick flare, located in Navajo Nation jurisdiction, was constructed in 1972. Modifications to this source are outlined in the Statement of Basis for the Title V renewal permit issued by NMED (Permit No.: P117-R2). This source is an existing PSD major source. Since there have been no major source modifications to the flare, however, the PSD requirement do not apply and therefore are not included in this permit.

4. Applicable Requirements

a. NSPS for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants for which Construction, Reconstruction, or Modification Commenced After January 20, 1984, and On or Before August 23, 2011 (40 CFR §§ 60.630 – 60.636; 40 CFR Part 60, Subpart KKK)

Emission units, identified as Unit 11 (Vapor Recovery Unit), Unit 16 (Truck Rack System) and Unit 18 (butamer unit), located in NMED jurisdiction and regulated under operating permit P117-R2, are subject to 40 CFR 60, Subpart KKK. Emissions from the Truck Rack Systems and the Butamer Unit are directed to the vapor recovery unit, where hydrocarbons are recovered for re-introduction into the processing system. Unrecoverable hydrocarbons are directed to the large boiler (Unit 19), in normal operation. When there is a failure or overload of the VRU, some or all emissions are directed to the candle stick flare. Under 40 CFR § 60.633(g), flares used to comply with this subpart shall comply with the requirements of 40 CFR § 60.18. Therefore, the requirements of 40 CFR § 60.18 have been incorporated into the permit.

b. **NSPS for Volatile Organic Compound (VOC) Emissions from Synthetic Organic Chemical Manufacturing Industry (SOCMI) Distillation operation (40 CFR §§ 60.660 – 60.667; 40 CFR Part 60, Subpart NNN)**

The Mega train Depropanizer Distillation Unit, located in NMED Jurisdiction and regulated under operating Permit P117-R2, was constructed or modified after December 30, 1983 and Butamer unit, located in NMED Jurisdiction and regulated under operating Permit P117-R2, was constructed or modified after June 29, 1990. These units are affected facilities under 40 CFR 60, Subpart NNN. The Permittee shall comply with the following provisions of 40 CFR part 60, subpart NNN and 40 CFR § 60.18 as specified at condition II.B of the Permit, when using the candlestick flare (Unit 17) to comply with Subpart NNN for the Mega train Depropanizer Distillation Unit and the Butamer Unit regulated under New Mexico Environmental Department Operating Permit P117-R2.

c. **NSPS for Volatile Organic Compound (VOC) Emissions from Synthetic Organic Chemical Manufacturing Industry (SOCMI) Reactor Processes (40 CFR §§ 60.700 – 60.707; 40 CFR Part 60, Subpart RRR)**

The isobutanizer reactors, located in NMED Jurisdiction and regulated under Operating Permit P117-R2, were constructed or modified after June 29, 1990 and are affected facilities subject to 40 CFR 60, Subpart RRR. The Permittee shall comply with the following provisions of 40 CFR 60, Subpart RRR and 40 CFR § 60.18 as specified at condition II.B of the Permit, when using the candlestick flare (Unit 17) to comply with Subpart RRR for the isobutanizer reactors regulated under New Mexico Environmental Department Operating Permit P117-R2.

d. **NSPS (New Source Performance Standard) – General Provisions (40 CFR Part 60, Subpart A)**

This source is subject to the General Provisions of 40 CFR 60, Subpart A. As such, the Requirements of 40 CFR § 60.18, general control device and work practice requirements for the flare, have been incorporated into the permit. The Permittee shall continue to comply with these applicable requirements.

e. **Chemical Accident Prevention Program**

This Source is subject to the Chemical Accident Prevention program regulated under section 112(r) of the Clean Air Act and 40 CFR Part 68. A risk management plan (RMP) has been submitted to USEPA Region VI and applies to the facility as a whole; a separate RMP for the candlestick flare is not required.

f. Asbestos NESHAP (40 CFR Part 61, Subpart M)

The Western Refining Wingate Facility is subject to the national emission standard for asbestos, 40 CFR Part 61, Subpart M, for all renovation and demolition projects, as specified in the permit document.

g. Federal Implementation Plan (40 CFR Parts 49 and 51)

EPA promulgated a Federal Implementation Plan for preconstruction review of major sources in nonattainment areas and of minor sources and minor modifications at major sources in both attainment and nonattainment areas, which became effective on August 30, 2011. These regulations, codified in 40 CFR Parts 49 and 51, establish pre-construction review requirements for sources that will be incorporated in Part 71 federal operating permits. Western Refining Wingate facility is not currently constructing a new emission unit or modifying the existing emission unit. In the future, if the facility constructs new emission units or modifies existing emission units, it may be required to obtain a permit from US EPA prior to construction.

5. Endangered Species Act

Pursuant to Section 7 of the Endangered Species Act (ESA), 16 U.S.C. § 1536, and its implementing regulations at 50 CFR Part 402, US EPA is required to ensure that any action authorized, funded, or carried out by US EPA is not likely to jeopardize the continued existence of any federally listed endangered species or threatened species or result in the destruction or adverse modification of the designated critical habitat of any such species. NNEPA is issuing this federal Part 71 permit pursuant to a delegation from US EPA. However, this permit does not authorize the construction of new emission units or emission increases from existing units, nor does it otherwise authorize any other physical modifications to the facility or its operations. Therefore, NNEPA and US EPA have concluded that the issuance of this permit will have no effect on listed species or their critical habitat.

6. Use of Credible Evidence

Determinations of deviations from, continuous or intermittent compliance with, or violations of the permit are not limited to the testing or monitoring methods required by the underlying regulations or this permit. Other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered by Western Refining, NNEPA and US EPA in such determinations.

7. NNEPA Authority

Authority to administer a Part 71 Permit Program was delegated to NNEPA by US EPA in part on October 13, 2004 and in whole on March 21, 2006. In delegating to NNEPA the authority to administer the Part 71 operating permit program, US EPA determined that NNEPA had adequate independent authority to administer the program, as required by 40 CFR § 71.10(a). Specifically, US EPA found NNEPA had adequate permit processing requirements and adequate permit enforcement-related investigatory authorities. Delegation Agreement between US EPA Region IX and NNEPA, §§ IV, V, VI.1, IX.2. Moreover, before waiving its collection of fees under 40 CFR § 71.9(c)(2)(ii), US EPA determined that NNEPA could collect sufficient revenue under its own authorities to fund a delegated Part 71 Program. Delegation Agreement at 1 and § II.2.

The Title V Permit therefore refers both to federal and to tribal provisions. When federal and tribal provisions are cited in parallel, the tribal provisions are identical to the federal provisions and compliance with the federal provision will constitute compliance with the tribal counterpart. Parallel tribal citations do not create any new requirements or impact the federal enforceability of the cited Part 71 requirements. All federal terms and conditions of the permit will be enforceable both by NNEPA and US EPA, as well as by citizens, under the federal Clean Air Act.

The provisions of Navajo law referenced in the permit will only be enforceable by NNEPA and will be enforced by NNEPA under the Navajo Nation Operating Permit Regulations and the Navajo Nation Air Pollution Prevention and Control Act, 4 N.N.C. §§ 1101-1162. Proposed Section IV.A (Fee Payment) refers only to the NNOPR as its source of authority because US EPA waived its collection of fees, as discussed above. This provision will be tribally enforceable only.

8. Public Participation

a. Public Notice

As described in 40 C.F.R. § 71.11(a)(5) and NNOPR § 403(A), all draft operating permits shall be publicly noticed and made available for public comment. The public notice requirements for permit actions and the public comment period are described in 40 C.F.R. § 71.11(d) and NNOPR § 403.

Public notice of this proposed permit action will be provided to Western Refining, US EPA Region IX, and the affected state, local and tribal governments via a mailed copy of the notice. A copy of the notice will also be provided to all persons who submitted a written request to be included on the mailing list.

Public notice will be published in a daily or weekly newspaper of general circulation in the area affected by this source.

b. Response to Comments

NNEPA will respond to all significant comments received on the draft Part 71 permit.